

LFC Requester:	Jon Clark
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AGENCY BILL ANALYSIS
2016 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original	X	Amendment
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Correction	Substitute
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Date 1/19/2016

Bill No: SB 108

Sponsor: Sen. Stuart Ingle

Agency Code: 305

Short Insurance Licensing Provisions

Person Writing	Rick Word
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Title:

Phone: 827-6029

Email rword@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE**BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

Synopsis:

SB 108 significantly amends or replaces numerous sections in Articles 5, 7, 11 and 12 of the Insurance Code. SB 108 also amends Articles 6, 9 and 12B of the Code.

SB 108 amends the Insurance Code to, among other things:

- increase the minimum capital requirements for insurers;
- provide for biennial, instead of annual, renewal or continuation of many licenses under the Code;
- increase application and continuation of license fees for many licenses;
- define "insurance producer" to mean "a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance;
- create provisions for regulating an "insurance producer", and substitute that term for the terms insurance agents, solicitors and brokers throughout the Code;
- make corresponding changes to the Code to reflect the licensing of individuals and business entities acting as insurance producers, including requirements for applications and examinations, procedures for denying applications or license renewals, and grounds and procedures for suspending licenses;
- provided that certain records in the possession or control of the office of the Superintendent related to the termination or cancellation of an insurance producer's appointment are not subject to the Inspection of Public Records Act;
- prohibit the use of assumed names by insurance producers without the prior written approval of the Superintendent;
- add provisions governing commissions;
- add provisions requiring the producer to disclose to the consumer any compensation paid to the producer by the insurer or certain third parties;
- require the passage of a written examination for initial licensure as an adjuster; and
- impose a minimum continuing education requirement for licensed insurance adjusters.

FISCAL IMPLICATIONS N/A

SIGNIFICANT ISSUES None

PERFORMANCE IMPLICATIONS None

ADMINISTRATIVE IMPLICATIONS None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP None

TECHNICAL ISSUES None

OTHER SUBSTANTIVE ISSUES None

ALTERNATIVES None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL Status quo

AMENDMENTS